

Michaud Applauds Recent U.S. Trade Action on Paper Imports from China and Indonesia

Friday, November 06 2009

WASHINGTON, DC ‐ Today, Representative Mike Michaud, Chairman of the House Trade Working Group, issued the following statement after the U.S. International Trade Commission (ITA) voted to proceed with a full investigation of coated paper imports from China and Indonesia.

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“Given the recent surge of imports, the shutting down of domestic paper machines and substantial job losses, this petition by our paper industry deserved to be acted upon,” said Michaud. “While this is just one step in the process, it is an important one. For too long our government has failed to adequately enforce our existing trade agreements.”

On September 23, 2009, paper companies and workers, including Appleton Coated LLC, NewPage Corporation, Sappi Fine Paper North America, and the United Steelworkers of America (USW), filed antidumping and countervailing duty petitions covering imports of certain coated paper from the People’s Republic of China and Indonesia.

“This is an issue that directly impacts Mainers and thousands of people nationwide,” said Michaud. “The President got it right when he said that no system of trade will work unless we enforce agreements. This isn’t about stopping trade; it’s about making sure that our trading partners play by the rules.”

The letter Michaud wrote to the administration is below.

The Honorable Marilyn R. Abbott, Secretary

United States International Trade Commission

500 E Street, S.W.

Washington, DC 20436

RE: Certain Coated Paper Suitable For High-Quality Print Graphics Using

Sheet-Fed Presses From China and Indonesia, Inv. Nos. 701-TA-471 and 731-TA-1169-1170 (Preliminary)

Dear Secretary Abbott:

We are writing you today on behalf of two Maine producers of coated printing paper, NewPage Corporation and Sappi Fine Paper North America.

NewPage, Sappi, Appleton Coated and the United Steelworkers have joined in filing antidumping and countervailing duty petitions regarding imports of coated printing paper from China and Indonesia. The petitions cover unfair subsidies to the coated printing paper industries in China and Indonesia, as well as injurious dumping by producers in both countries.

Imports of coated paper from China and Indonesia have increased by 40 percent in the first half of 2009, so that imports from these countries have now captured 30 percent of the domestic market. This has occurred, despite the steep drop in demand for coated papers due to the global economic downturn, because of significant levels of underselling by Chinese and Indonesian producers. As a result, NewPage has been forced to shutter capacity at a plant in Rumford, Maine, as well as in its operations in other states, resulting in thousands of lost jobs. Both NewPage and Sappi have also been forced to take long periods of unscheduled market-related downtime, reducing incomes and adding uncertainty to the future of this industry. The large influx of additional dumped and subsidized imports prompted the filing of these petitions. They focus on coated paper in sheet form, which is the vast bulk of imports from China and Indonesia.

We understand that the International Trade Commission has scheduled a vote in the preliminary phase of these investigations for November 6. We urge the Commission to recognize the significant injury that is being caused by these unfairly traded imports and the vulnerable condition of the domestic industry when it makes that decision.

We also request that you include this letter in the public record in these investigations.

Sincerely,

Michael H. Michaud
Member of Congress

Chellie Pingree
Member of Congress

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